

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA**

IN RE HATTERAS FINANCIAL, INC.
SHAREHOLDER LITIGATION

)
) Lead Case No. 1:16-cv-00445
) Judge Thomas D. Schroeder
)
) MASTER FILE

THIS DOCUMENT RELATES TO:
ALL ACTIONS

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)

**LEAD PLAINTIFFS' UNOPPOSED MOTION FOR PRELIMINARY APPROVAL
OF CLASS ACTION SETTLEMENT**

Pursuant to Fed. R. Civ. P. 23(a), 23(b)(1), 23(b)(2), and 23(e), co-lead Plaintiffs James Wilson and William Friedman (collectively, "Lead Plaintiffs"),¹ on behalf of themselves and the Settlement Class,² respectfully request that the Court grant preliminary approval of the proposed Settlement of this class action litigation against

¹ On November 18, 2016, this Court appointed James Wilson and William Friedman to serve as co-lead plaintiffs to represent the interests of the Class (as defined below) in this Consolidated Action as co-lead plaintiffs. By the same Order, the Court appointed Faruqi & Faruqi, LLP and Rigrodsky & Long, P.A. to serve Co-Lead Plaintiffs and the Class as Co-Lead Counsel as co-lead counsel for the class ("Lead Counsel") and Ward Black Law as liaison counsel for the class ("Liaison Counsel").

² Defined as all persons or entities who held shares of the common stock of Hatteras, either of record or beneficially, at any time during the period beginning on and including April 10, 2016 and ending on and including July 12, 2016, including any and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under any of them, other than the defendants, and the members of the immediate families of the individual defendants (the "Class" or the "Settlement Class").

Defendants.³ Specifically, Lead Plaintiffs seek entry of the [Proposed] Order Preliminarily Approving Settlement and Providing For Notice (the “Preliminary Order”)⁴ that will: (i) preliminarily approve the Settlement⁵ set forth in the Stipulation of Settlement dated May 4, 2017 (the “Stipulation” or “Settlement”);⁶ (ii) preliminarily certify, for settlement purposes only, a non-opt-out class consisting of Lead Plaintiffs and any and all Persons who were record holders or beneficial owners of any share(s) of the common stock of Hatteras Financial, Inc. (“Hatteras”) at any time during the period beginning on and including April 10, 2016 and ending on and including July 12, 2016; (iii) approve as to form, manner, and content the Notice to be provided to the Settlement Class and order the direct mailing of the Notice;⁷ and (iv) schedule a hearing (the

³ Defendants are Hatteras Financial Corp., David W. Berson, Benjamin M. Hough, Michael R. Hough, Ira G. Kawaller, Vicki Mcelreath, Jeffrey D. Miller, William V. Nutt, Jr., Thomas D. Wren, Annaly Capital Management, Inc., and Ridgeback Merger Sub Corporation.

⁴ A copy of the [Proposed] Order of Preliminary Approval of Settlement, Form and Manner of Notice, and Scheduling of Settlement Hearing is attached as Exhibit C to the Stipulation.

⁵ All capitalized terms not otherwise defined shall have the same meanings ascribed to them in the Stipulation of Settlement (“Stipulation” or “Settlement”), which is being concurrently filed.

⁶ A copy of the Stipulation is attached as Exhibit 1 to the Declaration of James M. Wilson, Jr. in Support of Lead Plaintiff’s Unopposed Motion for Preliminary Approval of Class Action Settlement (the “Wilson Decl.”) filed herewith.

⁷ A copy of the Notice of Pendency of Class Action, Proposed Settlement of Class Action, and Settlement Hearing is attached as Exhibit B to the Stipulation. The [Proposed] Order and Final Judgment is attached as Exhibit D to the Stipulation.

“Settlement Hearing”) at which the Court will consider final approval of the Settlement and Lead Plaintiff’s request for an award of attorneys’ fees and expenses.⁸

The grounds for this motion are set forth in the MOL and the accompanying Declaration and exhibits attached thereto.

DATED: May 5, 2017

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⁸ Although this Motion is unopposed, this Motion and any supporting briefs for or other documents are submitted solely by Lead Plaintiffs and does not in all instances represent the views of Defendants.